PRE-QUOTATION DISCLOSURE ANNOUNCEMENT: Baby Bunting Group Limited completes IPO and ASX Listing

14 October 2015

Baby Bunting Group Limited (**Baby Bunting** or the **Company**) has successfully completed the issue and transfer of shares under the Offer described in its prospectus dated 29 September 2015 (**Prospectus**).

The following information is given for release to the market in connection with the commencement of official quotation of the Company's fully paid ordinary shares on the Australian Securities Exchange.

Close of the Offer and issue and transfer of shares

Baby Bunting confirms that the Offer under the Prospectus has closed and it has issued 18,140,601 fully paid ordinary shares at an issue price of $1.40 per share and that the sale and transfer of 19,035,126 fully paid ordinary shares at a sale price of $1.40 per share has been completed.

The Company has received cleared funds for the issue price of every share issued under the Offer.

The number of ordinary shares issued or transferred under each of the following components of the Offer (as described in the Prospectus) was:

- 22,363,697 shares under the Institutional Offer;
- 10,957,144 shares under the Broker Firm Offer;
- 3,571,428 shares under the Priority Offer; and
- 283,458 shares under the Employee Gift Offer.

Following completion of the Offer, the Company has 125,588,190 fully paid ordinary shares on issue.

Allocation policy

The allocation policy for the Offer is described below:

- Priority Offer – all valid applications received under the Priority Offer have been accepted in full. Applicants under the Priority Offer can confirm their allocation by calling the Baby Bunting Offer Information Line on 1300 377 708 (toll free within Australia) or +61 (0)3 9415 4121 (outside Australia);
- Broker Form Offer and Institutional Offer – allocations were determined pursuant to the bookbuild conducted on 18 September 2015. Applicants under the Broker Firm Offer should consult with their Broker to confirm their allocation. Applicants under the Institutional Offer have been individually advised of their allocation of shares by the Lead Manager;
- Employee Gift Offer – all valid applications received under the Employee Gift Offer have been accepted in full.

There are at least 300 shareholder, each having a parcel of shares with a value of at least $2,000 (based on the offer price of $1.40) and at least 50% of the Company's shares are not held by related parties).

Holding statements and refund cheques

CHESS transaction confirmation statements and issuer sponsored holding statements, which state the number of shares issued or transferred to each successful applicants will be mailed by 15 October 2015.

All applicants are responsible for determining and confirming the number of shares allocated to them prior to selling any shares. Applicants who sell shares before receiving an initial holding statement do so at their own risk (even if they obtained information on their allocation from the Baby Bunting Offer Information Line).

Any refund cheques will be dispatched by 15 October 2015.

Rights granted under the Company's Long Term Incentive Plan

Section 9.4 of the Prospectus described the Company's Long Term Incentive Plan. As contemplated by that Section, upon completion of the Offer, the Company has now granted 5,017,905 rights to the Company's Senior Management.

Shares subject to escrow arrangements

Details of the shares subject to voluntary escrow arrangements are contained in a separate attachment released to ASX on 14 October 2015.

Listing Rule 1.2.5A statement

Each director of the Company, for the purpose of Listing Rule 1.2.5A, has confirmed that they have made enquiries and nothing has come to their attention to suggest that the Company is not continuing to earn profit from continuing operations up to the date of the Company's application for admission to the official list (the application was made on 22 September 2015).

The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

Annexure A discloses the extent to which the Company will follow, as at the date of its admission to the official list, the recommendations set by the ASX Corporate Governance Council.

Other pre-quotation disclosures

The following documents have been released on the ASX Market Announcements Platform today:

- the Prospectus;
- the Company's Constitution;
- the Company's Listing Application and related Information Form and Checklist;
- copies of the Company's audited financial statements for the financial years ended 30 June 2013, 29 June 2014 and 28 June 2015;
- copies of the rules of the Baby Bunting Long Term Incentive Plan and the General Employee Share Plan;
- the Company's Securities Trading Policy; and
- a distribution schedule of the shareholders of the Company following completion of the Offer and a statement setting out the names of the 20 largest shareholders.

Joint company secretary

The Company gives notice that Mark Licciardo has been appointed a company secretary of the Company. Darin Hoekman continues as a company secretary of the Company.

Further information

Applicants seeking further information can contact the Baby Bunting Offer Information Line on 1300 377 708 (toll free within Australia) or +61 (0)3 9415 4121 (outside Australia).

Darin Hoekman
Chief Financial Officer
Baby Bunting Group Limited

ANNEXURE A – ASX Corporate Governance Council – compliance statement

Corporate Governance Council recommendation		Comment
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The Board has adopted a written charter to provide a framework for the effective operation of the Board, which sets out: • the composition, role and responsibilities of the Board, including that the Board is responsible for approving and monitoring the Company's strategy, business performance objectives and financial performance objectives, and overseeing and monitoring the establishment of systems of risk management and systems of internal controls; • the roles and responsibilities of the Chairman and the Company Secretary; • the division of authority between the Board and the CEO and Managing Director and management; • the ability of Directors to seek independent advice; and • the process for periodic performance evaluations of the Board, each Director and Board committees.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	The Company will comply with this Recommendation.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Each non-executive director has entered into appointment letters with the Company. Each senior executive has entered into written employment contract with the Company.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company's Board Charter provides that the Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

Corporate Governance Council recommendation		Comment
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	The Board has adopted a Diversity and Inclusion Policy which sets out Baby Bunting's commitment to recognising the importance of diversity and inclusion for its business. Diversity and inclusion is seen as an asset at Baby Bunting and is considered to be integral to the Company's approach to doing business and important to assist with the Company's commercial success. The policy recognises that diversity not only includes gender diversity but also includes matters of age, ethnicity, religious or cultural background or sexual orientation. Other matters addressed in the policy include a commitment to diversifying sources of recruitment and merit-based appointments, as well as recognition that the Company will not tolerate workplace discrimination, harassment, vilification or victimisation. The policy also includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and Baby Bunting's progress in achieving them. These objectives and the progress in achieving them will be disclosed in the Company's annual corporate governance statement, along with the respective proportions of men and women on the Board, in senior executive positions and throughout the Company.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Board Charter provides that the Board will evaluate at least annually the performance of: • the Board; • each Director; and • each Board Committee. All evaluations will have regard to the collective nature of Board work and the operation of the governance processes established in this document. The Board will consider the outcome of the evaluation of those Directors who are seeking election or re-election at an annual general meeting in considering whether to recommend those Directors for election or re-election. The Company will disclose, in its Corporate Governance Statement, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Corporate Governance Council recommendation		Comment
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The Remuneration and Nomination Committee Charter provides that the responsibilities of the Committee include overseeing the processes for the performance evaluation of the executives reporting to the CEO and Managing Director and review the results of that performance evaluation process. The Company will disclose, in its Corporate Governance Statement, whether a performance evaluation was undertaken for executives in the reporting period in accordance with that process.

Corporate Governance Council recommendation		Comment
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	The Board has established the Remuneration and Nomination Committee. The Committee comprises Tom Cowan (Chairman), Barry Saunders and Ian Cornell. Each of them is a Non-Executive Director. Tom Cowan is a Non-Executive Director but is not designated as independent. This means the Committee does not have an independent chairperson. Notwithstanding this, the Board considers that Tom has the appropriate skills and experience to chair this Committee and his association with TDM Asset Management (a major Shareholder of the Company) in no way diminishes his ability to act independently from management in remuneration matters. A copy of the Committee's charter will be available on the Company's website. Details of the number of Committee meetings and the attendances at those meeting will be disclosed in the Company's Annual Report.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	One the Remuneration and Nomination Committee's responsibilities, as stated in its Charter, is to review, assess and recommend to the Board the desirable competencies of Board members in line with the Company's board skills matrix, which sets out the skills and diversity that the Board currently has and seeks to achieve in its membership. Details in relation to the Board's skills matrix will disclosed in the Company's Corporate Governance Statement.
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest,	The Board comprises five Non-Executive Directors and the CEO and Managing Director: • Barry Saunders (Chairman) • Gary Levin • Tom Cowan

Corporate Governance Council recommendation		Comment
	position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	• Tamalin Morton • Ian Cornell • Matt Spencer (CEO and Managing Director). The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company. The materiality of the interest, position, association or relationship will be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the Director's characterisation as an independent Director. In assessing independence, the Board will have regard to the factors set out in the ASX Recommendations and one of those factors is whether a Director has a substantial holding in the Company (a relevant interest of 5% or more) or is otherwise associated with a substantial holder. Tom Cowan is a partner of TDM Asset Management, a major Shareholder of the Company. Accordingly, for the purpose of the ASX Recommendations, Tom Cowan will have an interest that may affect his characterisation as an independent Director. Notwithstanding this, the Board considers that following the Completion of the Offer the interest Tom has in the Company's Shares (through TDM Asset Management) works to align his interests with those of other Shareholders and does not impede his ability to bring an independent judgement to bear on issues before the Board and act in the best interests of the Company. Details of the length of service of each Director will be included in the Company's Annual Report.
2.4	A majority of the board of a listed entity should be independent directors.	The Company complies with this Recommendation.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	The Company complies with this Recommendation.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	The Company's Board Charter provides that new directors will be provided with an induction programme to assist them in becoming familiar with the Company, its managers and its business following their appointment. Directors may, with the approval of the Chairman, undertake appropriate professional development

Corporate Governance Council recommendation		Comment
		opportunities (at the expense of the Company) to maintain their skills and knowledge needed to perform their role.
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Baby Bunting is committed to promoting and protecting the brand. Accordingly, the Board has approved the adoption by the Company of a formal Code of Conduct which outlines how Baby Bunting expects its employees to behave and conduct business in the workplace. The Code of Conduct applies to all employees, regardless of employment status or work location. In addition, the Directors, in the Board Charter, have committed to abiding by the Code of Conduct as it applies to the Board. The Code of Conduct is designed to: • provide a benchmark for ethical and professional behaviour throughout Baby Bunting; • promote a healthy, respectful and positive workplace and environment for all team members; • ensure that there is compliance with laws, regulations, policies and procedures relevant to Baby Bunting's operations, including workplace health and safety, privacy, fair trading and conflict of interest; • ensure that there is an appropriate mechanism for team members to report conduct which breaches the Code of Conduct; and • ensure that team members are aware of the consequences they face if they breach the Code of Conduct. The Code of Conduct is available on Baby Bunting's website.

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PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Board has established the Audit and Risk Committee. The Committee comprises three Non-Executive Directors being Gary Levin (Chairman), Tom Cowan, and Ian Cornell. Gary Levin and Ian Cornell are considered to be independent Non-Executive Directors. The Audit and Risk Committee Charter sets out: • the composition of the Committee, including that the Committee must comprise only Non-Executive Directors, a majority of whom are independent and that the Chairman of the Committee is not to be the Chairman of the Board; • the Committee's ability to have access to Company records and employees and the external auditor for the purpose of carrying out its responsibilities. The Charter also provides that the Committee may seek the advice of independent advisors on any matter relating to the duties or responsibilities of the Committee; and • the specific responsibilities of the Committee in respect of the areas of risk management and compliance, financial and corporate reporting and external audit matters. With respect to external audit matters, the Committee has responsibility for developing and overseeing implementation of the Company's policy on the engagement of the external auditor to supply non-audit services (noting that the Committee is required to advise the Board as to whether it is satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors). Details of the number of Committee meetings and the attendances at those meeting, along with the relevant qualifications and experience of members, will be disclosed in the Company's Annual Report. A copy of the charter of the Committee is available on the Company's website.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting	The Company will comply with this Recommendation.

Corporate Governance Council recommendation		Comment
	standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company will comply with this Recommendation.
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE		
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	The Company has adopted a Continuous Disclosure Policy. A copy of the Policy is available on the Company's website.
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	The Company will establish an investor relations section of its website to provide information about itself and its governance to investors.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company will design and implement an investor relations program.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company will disclose the policies and processes it has in place to facilitate and encourage participation at meetings of shareholders.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	The Company will give shareholders the option to receive communication from, and send communications to, the Company and its share registrar electronically.
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose:	The Board has established the Audit and Risk Committee. Refer to the comment for Recommendation 4.1 above.

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	(3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	The Board, with the assistance of the Audit and Risk Committee, will review the Company's risk management framework annually and disclose, in relation to each reporting period, whether such a review has taken place.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Given its size, the Company does not currently have a separate internal audit function. Details of the processes it employs for evaluating and continually improving the effectiveness of its risk management internal control processes will be disclosed in the Company's Corporate Governance Statement.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	The Company will disclose in its Corporate Governance Statement whether it has a material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Corporate Governance Council recommendation		Comment
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Remuneration and Nomination Committee's role is to review and make recommendations to the Board on remuneration packages and policies related to the Directors and senior management and to ensure that the remuneration policies and practices are consistent with the strategic goals of the Board. The Committee comprises Tom Cowan (Chairman), Barry Saunders and Ian Cornell. Each of them is a Non-Executive Director. Tom Cowan is a Non-Executive Director but is not designated as independent. This means the Committee does not have an independent chairperson. Notwithstanding this, the Board considers that Tom has the appropriate skills and experience to chair this Committee and his association with TDM Asset Management (a major Shareholder of the Company) in no way diminishes his ability to act independently from management in remuneration matters. A copy of the Committee's charter will be available on the Company's website. Details of the number of Committee meetings and the attendances at those meeting will be disclosed in the Company's Annual Report.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Company will separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of the Company's executive director and other senior executives in its Remuneration Report. Details of these policies and practices are disclosed in Section 6.3 of the Company's Prospectus.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	The Company has adopted a Securities Trading Policy (a copy of which has been disclosed on the ASX Market Announcements Platform). That policy certain of the Company's employees (which includes its senior managers) must not engage in transactions designed to hedge their exposure to Company Securities.